



Price-Anderson Background and Overview

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Workshop Objectives

- ◆ **Introduce Price-Anderson Amendments Act (PAAA) Rules and DOE Enforcement Program**
- ◆ **Communicate the Expectations for and Responsibilities of PAAA Coordinators**
- ◆ **Ensure Familiarity with Noncompliance Identification, Reporting and Corrective Action Expectations**
- ◆ **Provide a General Understanding of the Enforcement Process**

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Price-Anderson History

- ◆ **Price-Anderson Act enacted in 1957 provided prompt compensation for a nuclear incident**
 - Provided broad financial coverage for damage, injury, and costs of evacuation (up to statutory limit of \$9.43 billion per incident)
 - Required DOE to indemnify contractors

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Price-Anderson History (*cont'd*)

- ◆ **Price-Anderson Amendment Act (1988) extended indemnification for 15 years and required DOE to establish and enforce nuclear safety rules**
- ◆ **Nuclear safety rules for radiological protection, quality assurance, safety basis and contractor employee protection have been issued by DOE**

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Price-Anderson History (*cont'd*)

◆ Price-Anderson Amendment Reauthorization

- Bob Stump National Defense Authorization Act extended current indemnification levels until December 31, 2004.
- It also required DOE to promulgate final rules by December 2003 to enforce Occupational Safety and Health requirements. 10 CFR 851 issued February 9, 2006.

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Price-Anderson History (*cont'd*)

- ◆ **Ronald Reagan National Defense Authorization Act extended indemnification until December 2006**
 - Proposal to repeal remission of Civil Penalties for not-for-profits deferred
 - Proposal to increase coverage to \$10 billion per incident deferred
 - All enforcement requirements were unchanged

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Price-Anderson History (*cont'd*)

◆ Energy Policy Act of 2005

- Indemnifies DOE contractors until December 2025
- Increases coverage to \$10 billion per incident, subject to adjustment for inflation.
- Repeals exemption from civil penalties for nonprofits upon signing of new contract. Civil penalties limited to total fees paid to contractor in year of violation.

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Enforcement Philosophy

- ◆ **Relationship with contractors different from NRC and OSHA arms-length relationship with regulated entities**
 - Use of program as a tool to promote proactive contractor behavior resulting in safety performance improvement

- ◆ **Emphasis on promoting contractor timely identification, reporting, and correction of noncompliances**
 - Noncompliance Tracking System
 - Mitigation

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Enforcement Process

- ◆ **10 CFR 820 and its Appendix A provide DOE Enforcement Program Procedures and Policy for nuclear safety, and 10 CFR 851 and its Appendix B for worker safety**
- ◆ **Flow diagram provides overview of enforcement process**
- ◆ **Identification of rule noncompliances by contractor (preferred) or DOE**

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Enforcement Process *(cont'd)*

- ◆ **Disposition of noncompliances as reportable or internally tracked**
- ◆ **DOE evaluation and investigation process**
- ◆ **Multiple potential outcomes**
- ◆ **Opportunities for discretion and mitigation or escalation**

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Importance of PAAA Coordinator Role

- ◆ **Acts as focal point to promote effective communications with DOE and contractor on PAAA matters**
- ◆ **Ensures effective implementation/oversight of the identification, reporting and correction of noncompliances**
- ◆ **Monitors contractor compliance assurance program effectiveness – key role**
- ◆ **Maintains access to Senior Management**
- ◆ **Listing of DOE and Contractor Coordinator Responsibilities**

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Current OE Initiatives

- ◆ **Transition from event-driven to assessment-driven complex**
- ◆ **Transition of EFCOG to INPO-like organization**

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